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SUBJECT: CODEL HOBSON VISIT TO FINLAND

Introduction and Summary

1. Summary. CODEL Hobson -- House Appropriations Energy and Water Development Subcommittee Chairman David Hobson (R-OH), Representative Ed Pastor (D-AZ), Representative Marion Berry (D-AR), Representative James Clyburn (D-SC), and Representative Phil Gingrey (R-GA) -- visited Finland, August 18-21. On August 19, the CODEL met with Taisto Turunen, Director General, Energy Department, Ministry of Trade and Industry (MTI). Turunen warmly welcomed the Delegation to Finland and Representative Hobson remarked that one of the Delegation's principal objectives was to learn more about Finland's nuclear energy policy, including its nuclear waste disposal strategies. More specifically, Representative Hobson argued that the United States has a unique "window of opportunity" to re-think the direction of its own nuclear energy policy in an effort to confront rising gasoline prices and curb fossil fuel emissions. The Delegation also visited Eurajoki for briefings on the new Olkiluoto nuclear power plant, its repository for reactor operating waste, and an underground rock characterization and research facility. The Delegation concluded its visit with a briefing by the Director-General of Finland's Radiation and Nuclear Safety Authority (STUK), Jukka Laaksonen. End Summary.

2. Issues covered during the visit included Finland's national nuclear energy and nuclear waste disposal strategies; selection and licensing processes for repository sites; the process for securing municipality support for repository construction; radiation standards for licensing repositories; canister design, transportation and storage; and Finland's future nuclear energy strategies.

3. The Finns, who now are building a fifth nuclear reactor in Eurajoki (and the first nuclear power plant on either side of the Atlantic in at least a decade), agreed with the CODEL that nuclear power has an important role to play in the search for cleaner (low carbon) energy sources. They stressed, however, that every country had to devise its own strategies for managing nuclear energy and waste requirements. The Finnish "experience" was hardly applicable for the United States as geographical, geological, and meteorological factors in both countries were different, not to mention the existence of diverse political and legislative systems in both countries. The national consensus in Finland was to pursue a nuclear energy policy that reduced carbon dioxide emissions and increased nuclear power production to meet the greenhouse gas emission targets set for Finland in the Kyoto Protocol. In addition, the Finns highlighted the cost effectiveness of their nuclear energy policy and its market/consumer-driven nature that relies on extensive input from all the principal players in Finland's public and private sectors.

Meeting with MTI Director General Taisto Turunen

4. Turunen gave the CODEL a brief overview of the production, consumption, and supply trends underpinning Finland's energy policy. He explained that Finland's energy sector is driven by active market forces in the highly competitive Nordic region. (Note: The Electricity Market Act, which came into force in 1995, has resulted in the deregulation of the Finnish electricity market for three million electricity consumers, thus allowing them to choose the sources of their electricity supply.) Representative Pastor asked about which authority sets electricity prices in Finland; in response, Turunen noted that there was no regulation of electricity prices as they were driven by the market. Representative Hobson inquired about the sources of financing for Finland's nuclear power plants and Turunen's reply emphasized the role of the private sector and consumers as the primary financiers. He said that the Finnish Government does not provide any economic contributions or financial guarantees for the project.

5. Turunen further remarked that Finland's high energy consumption is attributable to the energy-intensive structure of Finnish industry, high standards of living, a very cold climate, and long transportation distances. Finland remains heavily dependent on imported energy, which

in 2004 accounted for 67 per cent of all energy consumed in the country. (Note: Finland imports electricity from Norway, Russia and Sweden.) To meet Finland's current and future energy requirements, Turunen said that the Finnish government was forced to examine other sources of energy, such as nuclear power and biofuels. Finnish forecasts predict that the construction of Finland's third nuclear power plant in Eurajoki (Olkiluoto site) with an output of 1600 MW will be completed in 2009. With its completion, nuclear power will undoubtedly emerge as one of Finland's principal energy sources. Turunen dismissed the notion, at this time, that Finland had plans to build a sixth nuclear power plant.

16. During Turunen's presentation, Representative Hobson also emphasized the importance of attracting American university students into highly technical fields, such as nuclear engineering, and inquired whether the Finnish educational system produced enough graduates in these specialized areas. Turunen replied that there were no shortages of qualified engineering students in Finland. He also noted with some pride that Finland's nuclear energy policy was widely accepted by the Finnish public. (Note: Turunen cited a 46 per cent approval rate and 25 per cent disapproval rate for nuclear power in Finland. High approval ratings appear to be rooted in the widespread belief amongst the Finnish public that nuclear power remains safe as there have been no minor or major nuclear environmental incidents in Finland thus far. End note.)

17. Representative Pastor asked about the licensing processes for the new nuclear power plant, specifically, who was responsible for the authorization of the construction license. Turunen replied that the Council of State grants the license and, in reply, Representative Hobson made the observation that there were far too many legal challenges to licensing applications in the United States. Turunen argued that the Finnish way: the achievement of a popular national consensus on any given issue precluded any effective legal motions to block government plans in the nuclear energy policy area.

Visit to Olkiluoto Nuclear Power Plant

18. The CODEL next met with Posiva's Communications Manager, Timo Seppala. Posiva is responsible for the characterization of sites for final disposal of spent nuclear fuel and the eventual construction and operation of the repository. It is owned by Fortum (60 per cent stake), a leading energy company in the Nordic countries and Baltic rim, as well as TVO (40 per cent stake), an electricity production company. The CODEL was given an opportunity to speak to local politicians and businessmen from the municipality and a trade promoter about the nature of their political decision making processes and location and safety issue deliberations. (Note: Each Finnish participant was in favor of the construction of a new nuclear plant and repository.) The politicians stressed the important role the local municipality played during the initial and final consultations to locate another nuclear power plant and nuclear fuel repository at the Olkiluoto site. The politicians remarked that unemployment was high in the region (10.6 per cent) and that there was an economic rationale for building another power plant and repository on the same site. The local municipality also hoped that the creation of new jobs would, in turn, stimulate the local economic environment.

19. The CODEL was given a unique opportunity to visit Olkiluoto's low and intermediate level waste repository. Completed in 1992, the repository was built to house all the operational waste that is produced during the operating life of the present Olkiluoto nuclear power units. Once the waste generated by these plants has been disposed of the tunnels and shafts leading to the repositories will be filled and sealed. The CODEL asked Seppala to explain the components of the final disposal canister; he, in turn, referred the CODEL to the model of a final disposal canister which had a double-layered copper/cast iron construction and cost approximately \$120,000 each.

110. The CODEL's brief drive-by visit to a deep underground rock characterization and research facility (ONKALO) was an opportunity for Seppala to discuss the nature of the site confirmation investigations for spent fuel disposal. Posiva aims to have the repository operational by 2020 so that disposal can commence.

11. Laaksonen gave an extensive presentation on the management of nuclear waste in Finland. He stressed the need for the safe disposal of nuclear waste and spent fuel by using proven, current technologies as well as the desire not to leave nuclear waste as a burden for future generations. His support for what he described as an ethical dimension of Finland's nuclear energy policy became obvious when he noted that this generation must take care of its own waste. He also pointed out that it was critical for Finland to manage its nuclear waste without foreign support. In this context, he highlighted the continued relevance of the two major principles underlying Finland's Nuclear Energy Act (1994): (1) nuclear waste generated in Finland shall be handled, stored and permanently disposed of in Finland, and (2) nuclear waste generated elsewhere than in Finland, shall not be handled, stored or permanently disposed of in Finland.

12. Finland currently provides for the permanent disposal of low and medium level nuclear waste at two disposal repositories (Olkiluoto and Loviisa), which are located at a depth of 60-100 meters. There are plans to store spent fuel in a new repository located in Olkiluoto (to be completed in 2020) at a depth of 500 meters. When asked by a CODEL staffer to compare U.S. and Finnish permanent disposal plans, Laaksonen noted that Finland's plan took all factors, technical and political into account. Representative Hobson asked whether STUK had examined French recycling efforts as an option for disposing spent fuel. Laaksonen argued that cost factors prohibited the implementation of a similar operation in Finland. Hobson also argued that it would be useful for the United States to launch a review of whether more cost effective alternatives could be found for nuclear waste disposal canisters. Laaksonen replied that STUK was confident that double-layered copper/cast iron disposal canisters, placed in a bed of bentonite, offered the safest and most effective protection for the disposal of nuclear waste.

13. When asked by Representative Hobson whether any Finnish lawyers ever challenged the government about its nuclear energy or waste disposal policies, Laaksonen remarked that Finnish lawyers were not as powerful as in the United States and that hardly any issue pertaining to this area ever ended up in the Finnish court system. The CODEL acknowledged with great interest Laaksonen's remark that national governments were rejecting efforts by the EU to coordinate European guidelines for nuclear energy and nuclear waste disposal. According to Laaksonen, the only pertinent international organization was the International Atomic Energy Agency, whose guidelines Finland adhered to.

14. The CODEL has cleared this cable.

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